

DEMOCRAT TAX INCREASES HITTING MINNESOTANS

Three already slated to take effect:

1. **GAS TAX:** Inflation continues to hammer family budgets especially on [energy and gas prices](#), and Democrats tied the gas tax to inflation. On top of that, vehicle registration increases, higher fees, and proposed clean fuel standards will make MN an island of expensive transportation costs.
2. **NET OPERATING LOSS:** This tax increase specifically hurts small businesses and entrepreneurs who, many times by no fault of their own, didn't turn a profit for the year. While we joined Democrats to fix the wrong date that made this bill retroactive, it just kicked the can down the road. If we want to be a state of innovation and entrepreneurship, this tax hike will end businesses that need it the most.
3. **PAYROLL TAX:** Collections on income taxes are already higher than forecast and Democrats are hiking payroll taxes by another \$2 billion in the next budget to pay for the bloated paid leave program. Paid leave is a good thing for people to access, but there are better, more affordable options that would give businesses and employees the flexibility they need without tax hikes. What they are getting instead is a huge government bureaucracy, and Minnesotans are losing access to plans they already had and liked.

A new tax being proposed:

4. **HOUSING TAX:** Democrats proposed a constitutional amendment to raise taxes to pay for housing. We agree more housing is a necessity for Minnesotans, but raising more taxes to pay for it is counterintuitive. We ought to be taking less money from taxpayers and increasing the supply of housing available for Minnesotans. That includes promoting development and policies that spur construction.

Two broken promises:

5. **SOCIAL SECURITY:** Many Democrats ran on a full repeal of the state's tax on social security benefits. But when push came to shove, Democrats broke their promise and let this tax remain on the books. Despite consistently high approval for repealing this tax, Democrats simply lack the willpower to do it.
6. **REBATE CHECKS:** Gov. Walz proposed \$2,000 rebate checks back to millions of Minnesotans on the campaign trail. Instead, most people got \$260 bucks—and **today is the deadline** to pay taxes on the paltry rebate.